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7 Attorneys for Creditor – Bank of America

8 IN THE UNITED STATES BANKRUPTCY COURT  
9 FOR THE DISTRICT OF OREGON

10 In re

11 Arlie & Company,

12 Debtor.

Case No. 10-60244-aer11

DECLARATION OF JO ANN TALLERICO

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14 JO ANN TALLERICO, having been duly sworn, states as follows:

15 1. I am a Senior Vice President of Bank of America, N.A. ("Bank") and work in  
16 the Real Estate Managed Assets department of the Bank. I am the officer of the Bank  
17 responsible for the loan ("Building A Loan") made by the Bank to Arlie & Company, Inc. (the  
18 "Debtor") on or about February 27, 2007, in the maximum principal amount of \$9,000,000 in  
19 order to finance the construction of "Crescent Village Building A," which is a mixed-use retail  
20 and multifamily apartment property in Eugene, Oregon, and the loan ("Building D Loan" and  
21 together with the Building A Loan, the "Loans") made by the Bank to Debtor's subsidiary,  
22 2911 Tennyson Avenue, LLC (which was merged into Debtor on the eve of Debtor's  
23 bankruptcy filing), on or about November 2, 2007, in the maximum principal amount of  
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1 \$5,970,000.00, in order to finance the construction of "Crescent Village-Building D," which is  
2 a mixed-use retail and office property in Eugene, Oregon.

3 2. Both the Building A Loan and the Building D Loan matured on January 2,  
4 2010. The principal amount currently owing on the Building A Loan is \$8,956,961.00 and  
5 the principal amount currently owing on the Building D Loan is \$5,455,581.38. Since the  
6 maturity date, both the Building A Loan and the Building D Loan have been accruing interest  
7 at 4% over the one month LIBOR rate, which is now 0.25688% for a current interest rate on  
8 the Loans of 4.25688%. Through October 8, 2010, interest accrued on the Building A Loan  
9 totaled \$296,929.70 with a per diem of \$1,044.62, and interest accrued on the Building D  
10 Loan totaled \$180,856.45 with a per diem of \$636.27 (the per diems assume no change in  
11 the one-month LIBOR rate).

12 3. Attorneys fees and costs billed to the Bank to date in connection with the  
13 Loans total \$50,113.22 and that amount is allocated between the Building A Loan and the  
14 Building D Loan in proportion to their respective principal balances (\$31,144 to the Building  
15 A Loan and \$18,969 to the Building D Loan).

16 4. Since the Debtor filed bankruptcy, I have had five or six conversations  
17 regarding the Loans with Scott Diehl, the chief financial officer of Debtor. In those  
18 conversations, I told Mr. Diehl what terms I would be willing to recommend for Bank credit  
19 approval for extension of the Loans, but at no time did I receive or discuss any proposal  
20 from Mr. Diehl other than the terms proposed in the Debtor's Plan of Reorganization dated  
21 July 1, 2010 (Doc 185) which I advised Mr. Diehl were not acceptable to the Bank. Mr.  
22 Diehl's response to the terms I described was that he would have to confer with his  
23 attorneys but since then I have had no discussions with Mr. Diehl regarding the terms of any  
24 extension of the Loans.  
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.1 DATED October 12, 2010, at Las Vegas, Nevada.

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4 JO ANN TALLERICO